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**VERMONT PENSION ASSETS EXCEED \$3 BILLION MILESTONE**

MONTPELIER -- Vermont State Treasurer Jeb Spaulding announced today that the state's three retirement system pension funds grew to a new record as of the end of August, exceeding \$3 billion. The three funds, administered by the Vermont Pension Investment Committee ("VPIC"), all outperformed their investment benchmarks in Fiscal Year 2006, posting returns of 10.6% for the State Employees' Retirement system, 10.4% for the State Teachers' Retirement System, and 11.3% for the Municipal Employees' Retirement System. The strong 2006 performance outpaced the public pension fund median return of 9.3% and was well above actuarial benchmarks for the retirement systems, which range from 8.0% to 8.25%.

"This marks the first time that the combined investment value of the three Vermont Retirement Systems has crossed the \$3 billion mark," said Spaulding. "While the future value of these assets will rise and fall depending upon market conditions and other factors, this is a significant milestone for these systems and the steady increase in asset value over time is reflective of effective investment management by the VPIC."

Spaulding believes that strong investment performance in recent months relative to benchmarks and other public pension funds demonstrates the value of a new unified investment process enacted, at his suggestion, by the 2005 General Assembly. He noted, "Over 90% of the assets have been consolidated or moved to new money managers in the last year and this clearly has had a positive impact on our investment returns, while reducing management fees. We are pleased with the trend and believe that the funds are now better positioned to perform in the marketplace."

The VPIC comprises board members of the Vermont State Employees' Retirement System, the Vermont State Teachers' Retirement System, and the Vermont Municipal Employees' Retirement System, and has overseen all investments of these three systems since July 1, 2005.

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